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BEFORE THE DEPARTMENT OF CORPORATIONS  
 OF THE STATE OF CALIFORNIA

|   |   |                                   |
|---|---|-----------------------------------|
| THE CALIFORNIA CORPORATIONS             | ) | File No.: 100-1485                |
| COMMISSIONER,                           | ) |                                   |
|   | ) | 1) <b>AMENDED ACCUSATION TO</b>   |
| Complainant,                            | ) | <b>REVOKE LICENSE</b>             |
|   | ) |                                   |
| vs.                                     | ) | 2) <b>AMENDED CITATIONS AND</b>   |
|   | ) | <b>AMENDED DESIST AND REFRAIN</b> |
| JUDY SALTER, doing business as, INSTANT | ) | <b>ORDER</b>                      |
| CASH                                    | ) |                                   |
|   | ) | 3) <b>ORDER TO VOID DEFERRED</b>  |
| Respondent.                             | ) | <b>DEPOSIT TRANSACTIONS</b>       |

Complainant, the California Corporations Commissioner, (“Commissioner”) is informed and believes, and based upon such information and belief, alleges and charges Respondent as follows:

INTRODUCTION

On January 6, 2005, the Commissioner of the California Department of Corporations (“Department”) issued to Respondent, Judy Salter dba Instant Cash, a deferred deposit transaction originator license (File No. 100-1485) pursuant to the California Deferred Deposit Transaction Law (“CDDTL”) set forth in California Financial Code sections 23000 et seq. (All future references to sections are to the California Financial Code unless indicated otherwise.)

AMENDED ACCUSATION TO REVOKE LICENSE; AMENDED CITATIONS AND AMENDED DESIST AND REFRAIN ORDER; AND ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS

1 By reason of Respondent's numerous and continuing violations of the CDDTL, the  
2 Commissioner seeks to revoke the deferred deposit transaction originator license of Respondent  
3 pursuant to section 23052.

4 In addition, the Commissioner has also taken the following actions:

5 1) Amended the citations to now issue three hundred and fifty-two (352) citations in the  
6 amount of \$2,500 per citation pursuant to section 23058 to Respondent for violations of the CDDTL;

7 2) Issued an amended order to Respondent to desist and refrain from engaging in deferred  
8 deposit transactions in violation of numerous provisions of the CDDTL and its governing  
9 regulations; and

10 3) Issued an order to Respondent voiding deferred deposit transactions made in violation of  
11 the CDDTL.

## 12 I.

### 13 FACTUAL BACKGROUND

14 During all relevant times herein, Judy Salter dba Instant Cash ("Instant Cash") is an  
15 individual licensed as a deferred deposit transaction originator with its principal place of business  
16 located at 16727 Bear Valley Rd., #200, Hesperia, CA 92345 and a second licensed location at 951  
17 W. Foothill Blvd., Upland, CA 91786.

18 On or about January 31, 2007, the Commissioner commenced a regulatory examination of  
19 the books and records of Instant Cash. The examination revealed that while engaged in the  
20 business of deferred deposit transactions, Instant Cash violated provisions of the CDDTL as more  
21 fully described below:

- 22 (a) The advertisements of Instant Cash do not comply with California Financial Code §  
23 23027 (b) in that the advertisements do not state that the company is licensed by the  
24 Department of Corporations pursuant to the CDDTL.
- 25 (b) Instant Cash failed to distribute to consumers a notice containing information  
26 enumerated under California Financial Code § 23035 (c), including but not limited  
27 to the following provisions:  
28

- i. The company may charge an additional fee of up to \$15 for a returned check;
- ii. The customer cannot be prosecuted in a criminal action in conjunction with a deferred deposit transaction for a returned check or be threatened with prosecution;
- iii. The licensee may not receive any collateral in conjunction with a payday loan;
- iv. The customer may not be required to pay treble damages if the customer's check did not clear; and
- v. The department's toll-free number for receiving calls regarding customer complaints and concerns.

Instant Cash's failure to provide customers with a notice containing the above provisions is a violation of California Financial Code § 23035 (c).

- (c) Instant Cash failed to enter into written agreements for deferred deposit transactions with customers in violation of California Financial Code § 23035 (e).
- (d) Instant Cash failed to post notices in conspicuous view of the public with letters that are at least one-half inch in height in violation of California Financial Code § 23035 (d).
- (e) Instant Cash failed to provide a current quarterly financial statement as required by California Code of Regulations, Title 10, § 2025(b), demonstrating that the minimum net worth prescribed under California Financial Code § 23007 is met.
- (f) Instant Cash failed to maintain evidence of the check for each deferred deposit transaction in violation of California Code of Regulations Title 10, § 2025 (c)(1).

On or about January 17, 2008, the Commissioner issued an Accusation to Revoke License, Citations and a Desist and Refrain Order ("Order") against Instant Cash for originating deferred deposit transactions in violation of the CDDTL. The Order was personally served on Judy Salter on January 24, 2008, and remains in effect.

1 An unannounced special examination of Instant Cash's book and records was commenced  
2 on February 15, 2008 for the purpose of determining whether or not Instant Cash has complied  
3 with the Order. The special examination revealed that Instant Cash has continued to originate at  
4 least 49 deferred deposit transactions that are in violation of the CDDTL and the Order since the  
5 Order was personally served on January 24, 2008.

6 Additionally, while Instant Cash has entered into written agreements with customers as of  
7 July 27, 2007, the written agreement does not contain all the statutorily required provisions  
8 enumerated under California Financial Code § 23035 (e). Specifically, Salter's written agreement  
9 does not contain the following provisions mandated under California Financial Code § 23035 (e):

- 10 (1) The name, address, and telephone number of the licensee (§ 23035 (e)(3));
- 11 (2) An itemization of the amount financed as required under the Federal Truth in Lending  
12 Act and its regulations (§ 23035 (e)(7));
- 13 (3) That the customer cannot be prosecuted or threatened with prosecution to collect  
14 (§ 23035 (e)(9));
- 15 (4) That the licensee cannot accept collateral in connection with the transaction  
16 (§ 23035 (e)(10)); and
- 17 (5) That the licensee cannot make a deferred deposit transaction contingent on the purchase  
18 of another product or service (§ 23035 (e)(11)).

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**II.****AMENDED CITATIONS****AND****AMENDED DESIST AND REFRAIN ORDER**

**(For violations of California Financial Code sections: 23027, 23035 (c)-(e), 23050, and California Code of Regulations, title 10, § 2025 (b) and (c)(1).)**

California Financial Code § 23058 states:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$ 2,500). All penalties collected under this section shall be deposited in the State Corporations Fund.

(b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and in all states the commissioner has all the powers granted therein.

(e) After the exhaustion of the review procedures provided for in this section, the department may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the department. The application, which shall include a certified copy of the final order of the department, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

1 California Financial Code § 23050 provides in pertinent part:

2 Whenever, in the opinion of the commissioner, any person is engaged in  
3 business in the business of deferred deposit transactions, as defined in this  
4 division, without a license from the commissioner . . . the commissioner  
5 may order that person or licensee to desist and to refrain from engaging in  
6 the business . . . If, within 30 days, after the order is served, a written  
7 request for a hearing is filed and no hearing is held within 30 days thereafter,  
8 the order is rescinded.

9 **A.**

10 **AMENDED CITATIONS**

11 **1.**

12 **CITATIONS PRIOR TO ISSUANCE OF THE COMMISSIONER'S DESIST AND**  
13 **REFRAIN ORDER**

14 Instant Cash's specific violations discovered during the regulatory examination conducted  
15 on January 31, 2007, include the following California Financial Code sections: 23027, 23035 (c)-  
16 (e) and California Code of Regulations, title 10, § 2025 (b) and (c)(1). For Instant Cash's  
17 violations committed prior to the issuance of the Commissioner's Desist and Refrain Order, the  
18 Commissioner is issuing Citations 1 through 6 described as follows:

- 19 (1) **CITATION 1** – Instant Cash's advertisement failed to comply with California Financial  
20 Code § 23027 (b).  
21 (2) **CITATION 2** – Instant Cash failed to provide a notice to consumers prior to entering into  
22 a deferred deposition transaction in violation of Code § 23035 (c).  
23 (3) **CITATION 3** - Instant Cash failed to enter into written agreements for deferred deposit  
24 transactions with customers in violation of California Financial Code § 23035 (e).  
25 (4) **CITATION 4** - Instant Cash failed to post notices in conspicuous view of the public with  
26 letters that are at least one-half inch in height in violation of California Financial Code §  
27 23035 (d).  
28 (5) **CITATION 5** - Instant Cash failed to provide a current quarterly financial statement as  
required by California Code of Regulations, Title 10, § 2025 (b), demonstrating that the  
minimum net worth prescribed under California Financial Code § 23007 are met.

(6) **CITATION 6** - Instant Cash failed to maintain evidence of the check for each deferred deposit transaction in violation of California Code of Regulations Title 10, § 2025 (c)(1).

Pursuant to California Financial Code § 23058, Judy Salter dba Instant Cash is hereby ordered to pay to the Commissioner within 30 days from the date of these citations, an administrative penalty of two thousand five hundred dollars (\$2,500) for each of the six citations listed below for the total amount of fifteen thousand dollars (\$15,000).

(1) **CITATION 1** - \$2,500

(2) **CITATION 2** - \$2,500

(3) **CITATION 3** - \$2,500

(4) **CITATION 4** - \$2,500

(5) **CITATION 5** - \$2,500

(6) **CITATION 6** - \$2,500

**2.**

**CITATIONS AFTER ISSUANCE OF THE COMMISSIONER’S DESIST AND REFRAIN ORDER**

Instant Cash’s specific violations discovered during the special unannounced examination on February 15, 2008, include the following California Financial Code sections: 23035 (c), (d) and (e)(3), (7), (9), (10), and (11), 23050 and California Code of Regulations, title 10, § 2025 (b). As previously discussed, Instant Cash has originated at least forty-nine (49) deferred deposit transactions after personal service of the Commissioner’s Desist and Refrain Order on January 24, 2008 and each deferred deposit transaction was made in violation of the abovementioned code sections. For Instant Cash’s violations committed after the issuance of the Commissioner’s Desist and Refrain Order, the Commissioner is issuing Citations 7 through 352 described as follows:

(1) **CITATION 7** - Instant Cash failed to post notices in conspicuous view of the public with letters that are at least one-half inch in height in violation of California Financial Code § 23035 (d).

- (2) **CITATION 8** - Instant Cash failed to provide a current quarterly financial statement as required by California Code of Regulations, Title 10, § 2025 (b), demonstrating that the minimum net worth prescribed under California Financial Code § 23007 is met.
- (3) **CITATIONS 9-57** – Instant Cash failed to provide a notice to consumers prior to entering into a deferred deposit transaction in violation of Code § 23035 (c).
- (4) **CITATIONS 58-106**- Instant Cash failed to include the name, address, and telephone number of the licensee in its written agreement in violation of California Financial Code § 23035 (e)(3).
- (5) **CITATIONS 107-156** - Instant Cash failed to include an itemization of the amount financed as required under the Federal Truth in Lending Act and its regulations in its written agreement in violation of California Financial Code § 23035 (e)(7).
- (6) **CITATIONS 157-205** - Instant Cash failed to include in its written agreement a statement that the customer cannot be prosecuted or threatened with prosecution to collect in violation of California Financial Code § 23035 (e)(9).
- (7) **CITATIONS 206-254** - Instant Cash failed to include in its written agreement a statement that the licensee cannot accept collateral in connection with the transaction in violation of California Financial Code § 23035 (e)(10).
- (8) **CITATIONS 255-303** - Instant Cash failed to include in its written agreement a statement that the licensee cannot make a deferred deposit transaction contingent on the purchase of another product or service in violation of California Financial Code § 23035 (e)(11).
- (9) **CITATIONS 304-352** - Instant Cash originated deferred deposit transactions that were in violation of the Desist and Refrain Order issued by the Commissioner on January 17, 2008 and personally served on January 24, 2008.

Pursuant to California Financial Code § 23058, Judy Salter dba Instant Cash is hereby ordered to pay to the Commissioner within 30 days from the date of these citations, an administrative penalty of two thousand five hundred dollars (\$2,500) for each of the three hundred and forty-six (346) citations listed below for the total amount of eight hundred and sixty-five thousand dollars (\$865,000).



- (1) **CITATION 7** - \$2,500
- (2) **CITATION 8** - \$2,500
- (3) **CITATIONS 9-57** - \$122,500
- (4) **CITATIONS 58-106** - \$122,500
- (5) **CITATIONS 107-156** - \$122,500
- (6) **CITATIONS 157-205** - \$122,500
- (7) **CITATIONS 206-254** - \$122,500
- (8) **CITATIONS 255-303** - \$122,500
- (9) **CITATIONS 304-352** - \$122,500

**B.**

**AMENDED DESIST AND REFRAIN ORDER**

Pursuant to California Financial Code §§ 23050 and 23058, Judy Salter dba Instant Cash is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of California Financial Code §§ 23027, 23035 (c)-(e), 23050 and California Code of Regulations, title 10, § 2025 (b) and (c)(1).

The Desist and Refrain Order is necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

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**III.****ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

Instant Cash willfully violated California Financial Code §§ 23035 (c)-(e) and 23050 by entering into at least forty-nine (49) deferred deposit transactions without using written agreements that contain all the statutorily required terms; without providing the proper notices to consumers, and continuing to make loans in violation of the CDDTL and the Commissioner's Order that was personally served on January 24, 2008, as described in more detail above.

Pursuant to California Financial Code § 23060 (b), all forty-nine (49) of the aforementioned deferred deposit transactions, totaling \$12,176.95 shall be declared void, and Instant Cash has no right to collect or receive any amount provided in the deferred deposit transactions, any charges, or fees in connection with those transactions and is hereby ordered to immediately return any amount and all charges and fees received for these transactions.

**IV.****ORDER REVOKING CALIFORNIA DEFERED DEPOSIT TRANSACTION LICENSE**

California Financial Code § 23052 provides in pertinent part:

The commissioner may suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

- (a) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.
- (b) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.
- (c) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

The Commissioner finds that, by reason of the foregoing, Judy Salter dba Instant Cash has violated California Financial Code §§ 23027, 23035 (c)-(e), 23050, and California Code of Regulations, title 10, § 2025 which are grounds to revoke the deferred deposit transaction license of Judy Salter dba Instant Cash.

1           WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of Judy Salter  
2 dba Instant Cash be revoked.

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5 Dated: March 7, 2008  
6       Los Angeles, California

7                           PRESTON DuFAUCHARD  
8                           California Corporations Commissioner

9  
10                           By \_\_\_\_\_

11                           Alan S. Weinger  
12                           Lead Corporations Counsel  
13                           Enforcement Division  
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